



Jack Scott, Chair  
Bob Margett  
John Vasconcellos

May 19, 2004  
1:30 p.m. – Room 2040

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Item	Issue	Description	Staff Recommendation	BBL/TB	
6870-101-0001 California Community Colleges	<i>May Revision Finance Letter:</i> Provide Funding for Equalization (Issues 106 and 122)	Provides a total of \$80 million for equalization, with the caveat that the funds not be considered Program Improvement Funds	<b>Approve May Revision with additional Budget Bill Language specifying that the allocation of funds is pursuant to legislation</b>	Conforming BBL	
6870-101-0001 California Community Colleges	<i>Governor's Budget:</i> General Fee Increase	Proposes to increase fees from \$18 per unit to \$26 per unit	<b>Approve as Budgeted</b>	Trailer Bill Language (Ed. Code 76300) to conform	
6870-101-0001 California Community Colleges	<i>Governor's Budget:</i> Baccalaureate Degree Surcharge	Proposes to charge students who have already earned a Baccalaureate degree \$50 per unit	<b>Deny Governor's Budget Proposal</b>		
6870-101-0001 California Community Colleges	<i>Governor's Budget:</i> Enrollment Growth	Proposes \$121 million to provide for a 3 percent growth in student enrollments	<b>Approve as Budgeted</b>		
6870-101-0001 California Community Colleges	<i>New Issue:</i> Enrollment Growth	Provide funding equivalent to 3.67 percent enrollment growth	<b>Approve additional funding necessary to bring enrollment growth funding up to 3.67 percent</b>		

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6870-101-0001 California Community Colleges	<i>Governor's Budget:</i> NonCredit Instruction	Provides \$4 million to increase student enrollments in noncredit courses	<b>Deny Governor's budget proposal and instead provide \$6 million to increase the funding rate for noncredit instruction</b>		
6870-101-0001 California Community Colleges	<i>Governor's Budget:</i> Partnership for Excellence	Folds funding for the <i>Partnership for Excellence Program</i> into the general apportionments budget of the community colleges with accompanying budget bill language. Committee already took action (March 22, 2004) to fold Partnership for Excellence funding into the general apportionments line item	<b>Deny provisional language proposed in the Governor's Budget and instead adopt compromise language (per handout)</b>	Conforming BBL	
6870-681-0001 California Community Colleges	<i>May Revision:</i> Current-year augmentation (Issue 121)	Provides an additional \$28.4 million in the current year, on a one-time basis, for scheduled maintenance, special repairs, instructional equipment, and library materials, contingent upon the consolidation of those programs into a single line item. Funds are available in the current year due to an increase in the minimum 2003-04 Prop. 98 guarantee level	<b>Approve May Revision proposal (including the consolidation of the programs into a single line item); adopt accompanying Trailer Bill Language to appropriate the funds in the current year</b>	Trailer Bill language	

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6870-101-0001 California Community Colleges	<i>Governor's Budget:</i> Scheduled Maintenance, Special Repairs, Instructional Equipment and Library Materials	Provides a total of \$29.4 million, in the form of a block grant, to fund scheduled maintenance, special repairs, instructional equipment and library materials (\$24.9 million) and \$4.4 million to fund hazardous materials abatement	<b>Reject Governor's proposal and appropriate \$0 from the General Fund in 2004-05 (Note: funds for this program are instead being provided in the current year, pursuant to the above issue)</b>	Retain consolidated schedule in the Budget Act with an appropriation of \$0	
6870-101-0001 California Community Colleges	<i>Governor's Budget:</i> Continuation of June Principal Apportionments Deferral	Continues the current-year deferral of expenditures by deferring \$200 million in June 2005 general apportionment payments to July of 2005	<b>Approve as Budgeted</b>	Trailer Bill Language as proposed by DOF	

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7980-101-0001 California Student Aid Commission	<i>Governor's Budget:</i> Reduce income ceilings for Cal Grant A and B Programs	Proposes to reduce eligibility for the Cal Grant program by decreasing the maximum amount a family can earn and still receive an award	<b>Reject Governor's Budget and deny accompanying Trailer Bill Language which would shift how Cal Grant eligibility it determined from statute to the annual Budget Act.</b>	BBL to conform	
7980-101-0001 California Student Aid Commission	<i>Governor's Budget:</i> Decrease maximum Cal Grant award for students attending private institutions	Proposes to reduce the maximum award level (from \$9,708 to \$5,482) for students attending private institutions	<b>Reject Governor's Budget and deny accompanying Trailer Bill Language which would shift the determination of the maximum award level from statute to the annual Budget Act.</b>	BBL to conform	

7980-101-0001 California Student Aid Commission	<i>May Revision:</i> Rescind Cal Grant Decoupling Proposal (Issue 004)	Rescinds Governor's original proposal and now provides funding (\$34.2 million) to ensure that Cal Grant awards will cover the proposed 14 percent fee increases at UC and CSU	<b>Approve May Revision and deny Trailer Bill Language which would shift the determination of the public college award level from statute to the annual Budget Act</b>	BBL to conform	
Item	Issue	Description	Staff Recommendation	BBL/TB	
7980-101-0001 California Student Aid Commission	<i>May Revision:</i> Reduce Number of Competitive Cal Grant Awards (Issue 001)	Reduces the number of Competitive Cal Grant awards by 5,625 (25 percent), thus limiting the number of awards available to 16,875 from the original statutory level of 22,500 (\$5.4 million)	<b>Reject May Revision</b>		
7980-101-0001 California Student Aid Commission	<i>Governor's Budget:</i> Reduce number of APLE warrants	Reduces number of Assumption Program of Loans for Education (APLE) warrants from 7,700 to 3,500. This proposal has no savings in the budget year and is estimated to save \$57 million beginning in 2006-07.	<b>Reject Governor's Budget and refer Trailer Bill Language which would revise priorities for awarding APLE program warrants to the appropriate policy committees</b>		

7980-101-0001 7980-101-0784 California Student Aid Commission	<i>May Revision:</i> Shifts \$134 million of funding for the Cal grant Program from the General Fund to the Student Loan Operating Fund (Issue 002)	Uses Student Loan Operating Fund reserves maintained by EdFUND (the nonprofit auxiliary organization established by the state to administer the federal guaranteed student loan program) to offset \$134 million in Cal Grant costs that would otherwise be borne by the General Fund	<b>Reject May Revision and instead shift funding for select financial aid programs from the General Fund to the Student Loan Operating Fund, as noted below</b>		
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Item	Issue	Description	Staff Recommendation	BBL/TB	
7980-101-0001 7980-101-0784 California Student Aid Commission	<i>New Issue:</i> Shift \$75.3 million of funding for the Cal grant Program from the General Fund to the Student Loan Operating Fund	Shift a total of \$49.3 million worth of state-funded financial aid expenditures from the state General Fund to the Student Loan Operating Fund (SLOF) to cover the costs associated with restoring the (A) Cal Grant income ceiling (\$11.2 million); (B) maximum award level for private and independent colleges (\$32.7 million); and (C) denying the Governor's May Revision proposal to decrease the number of competitive Cal Grant Awards (\$5.4 million). Further, reimbursement authority in Item 7980-101-0001 needs to be increased to account for use of SLOF.	<b>Adopt proposal and accompanying Budget Bill</b> <b>Language to specify (1) the uses of the SLOF; (2) that funding is one-time in nature; (3) that the Student Aid Commission must maintain a \$30 million reserve in the SLOF; and that (4) the Student Aid Commission may transfer funds, pursuant to legislation, for the purposes of EdFUND business diversification (per handout)</b>	Budget Bill Language	



Item	Issue	Description	Staff Recommendation	BBL/TB	
6120-001-0001 California State Library	<i>New Issue:</i> Sutro Library Roof Repair	Would provide \$250,000 to repair the roof of the Sutro Library building, which has been leaking and causing damage this past winter season.	<b>Approve \$250,00 augmentation</b>		
6870-101-0001 6870-601-0986 California Community Colleges	<i>May Revision:</i> Local Revenue Adjustment (Issue 1132)	Offsets a reduced allocation in local property tax revenues going to community colleges pursuant to recent Governor agreement with local governments	<b>Conforming</b>		
6870-101-0001 6870-601-0992 California Community Colleges	<i>May Revision:</i> Student Fee Revenue Adjustment (Issue 115)	Reflects an adjustment in the amount of student fee revenue expected (\$18 million less than originally budgeted) and adds a like amount of General Fund to hold campuses harmless	<b>Approve May Revision.</b>		
6870-101-0001 California Community Colleges	<i>May Revision:</i> Financial Aid (BOG Waiver) Adjustment (Issue 116)	Reflects an increase in the number of BOG fee waiver participants and increases funding for that program by \$492,000	<b>Approve May Revision.</b>		

Item	Issue	Description	Staff Recommendation	BBL/TB	
6870-101-0959 6870-102-0959 6870-486 6870-680-0001 California Community Colleges	<i>May Revision Finance Letter:</i> Foster Parent Training Program Fund Shift (Issue 117)	Shifts both current year and budget year funding (totaling \$5.4 million) from the Foster Parent Training Fund to the Proposition 98 Reversion Account	<b>Approve May Revision</b>	Budget Bill Language to add new items with accompanying provisional language. Plus Trailer Bill language to appropriate current-year Proposition 98 funds	
6870-111-0001 California Community Colleges	<i>May Revision Finance Letter:</i> Federal Reimbursement Adjustment (Issue 118)	Adjusts downward (by \$1 million) the amount of funding available from the federal government for the Federal Foster Parent Training program	<b>Approve May Revision</b>		
6870-495 California Community Colleges	<i>May Revision Finance Letter:</i> Reversion of various prior-year funds to the General Fund (Issue 119)	Reverts \$9.5 million in unused prior-year funds from various community college categorical programs to the Proposition 98 reversion account for expenditure in other K-14 areas	<b>Approve May Revision</b>		

Item	Issue	Description	Staff Recommendation	BBL/TB	
6870-101-0001 California Community Colleges	<i>May Revision Finance Letter:</i> Cost-of-Living Adjustment (Issues 104 and 107)	Provides a total of \$106.5 million for a 2.41 percent COLA for General Apportionments; Basic Skills; EOPS/CARE; DSPS and Matriculation	<b>Approve May Revision.</b>	Conforming BBL	
6870-101-0001 California Community Colleges	<i>May Revision Finance Letter:</i> Categorical Program Growth (Issues 105 and 108)	Provides a total of \$4.3 million to fund 1.66 percent growth for following programs: Basic Skills; EOPS/CARE; DSPS and Matriculation	<b>Approve May Revision.</b>	Conforming BBL	
7980-101-0001 California Student Aid Commission	<i>May Revision Finance Letter:</i> Cal Grant Baseline Adjustments (Issue 003)	Increases funding in both the current year (\$42.6 million) and the budget year (\$31.9 million) for the continued support of the Cal Grant Entitlement Program; changes are due to revised estimates	<b>Approve May Revision</b>		

## **Shift of EdFUND dollars to support Cal Grants**

### Item 7980-001-0784 Student Aid Commission, Loan Operating Fund

*Add provisions as follows:*

2. It is the intent of the Legislature that funding from the Student Loan Operating Fund be used in accordance with federal statute.
3. It is the intent of the Legislature that the California Student Aid Commission use up to \$30,000,000 of the unencumbered balance of the Student Loan Operating Fund as a reserve to fulfill its obligations under the Federal Family Education Loan Program.
4. Pursuant to Legislation enacted in the 2004 legislative session, the California Student Aid Commission may transfer up to \$70,000,000 of the unencumbered balance of the Student Loan Operating Fund for purposes of diversifying EdFUND's business operations.

### Item 7980-101-0001 Student Aid Commission, Local Assistance

*Add provisions as follows:*

8. The amount listed in Schedule (2) of this Item includes \$49.3 million in one-time funds received from the Student Loan Operating Fund, for expenditure within the Cal Grant program, as follows
  - (a) Retain 2003-04 eligibility levels and income ceilings for new Cal Grant recipients, notwithstanding Education Code Section 69432.7 (k)
  - (b) Retain maximum award level for new Cal Grant recipients attending private colleges and universities; and
  - (c) Maintain the number of new Competitive Cal Grant awards at 22,500, pursuant to statute.

No State General Fund monies shall be used for the above-noted programs until such time as the \$49.3 million in reimbursements received from the Student Loan Operating Fund have been fully expended.

It is the intent of the Legislature that funding provided by the Student Loan Operating Fund for the above-noted programs be short-term in nature until such time as the state's fiscal situation improves to allow these programs to be funded wholly or in part by the state General Fund.

9. It is the intent of the Legislature that funding from the Student Loan Operating Fund be used in accordance with federal statute.

**California Community Colleges—2004-05 Budget  
Draft Budget Bill language in lieu of provision 4 of Item 6870-101-0001**

**Fold-in of Partnership for Excellence Funds into Base**

Provision 4.

The amount appropriated in Schedule (4) shall be made available to districts as part of the general apportionment funds appropriated in Schedule (1), and shall be made available in the same amount provided to each district for the Partnership for Excellence for the 2003-04 fiscal year, notwithstanding the basic aid status of any district. As a condition of receiving these funds districts shall first agree to assure that courses related to student needs for transfer, basic skills, and vocational and workforce training are accorded the highest priority and are provided to the maximum extent possible within budgeted funds. The Board of Governors shall assess and report to the Legislature, on or before April 15<sup>th</sup> annually, district and college data on the same educational outcome measures reported to the Legislature as part of the Partnership for Excellence program under Education Code Section 84754. Acceptance of funds appropriated in Schedule (4) shall constitute concurrence by the district or college to collect and provide to the Chancellor of the California Community Colleges all information necessary to quantify baseline performance and annually report changes in outcome measures to the Chancellor, if in the judgment of the Chancellor, current Management Information System (MIS) data are insufficient for the purpose of any of the approved measures.